



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE DIRECTOR
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
<http://www.state.ar.us/dfa>

June 1, 2007

Carol Barnhill, C.P.M.
Director of Procurement Services
Arkansas State University
Jonesboro, AR 72467

Re: Advisory Opinion #483-07-06

Dear Ms. Barnhill:

This letter is in response to your request for an advisory opinion in accordance with ACA § 19-11-715(b). Your request for an advisory opinion is based on the following facts:

- 1) Dr. Glen Jones, assistant to the President and Chancellor; Dr. Lonnie Williams, Associate Vice President for Student Affairs; and Dr. George Grant, Dean of the Library are all 20% owners of "African American Perspective", a commercial publication.
- 2) They have requested that Arkansas State University buy advertising in their publication.
- 3) You are requesting an advisory opinion to determine whether such a purchase is in anyway violative of Act 483 of 1979, Ethics in Public Contracting and/or Governor's Executive Order #98-04.

"Financial interest" is defined at ACA § 19-11-701 (9) (B) as "ownership of more than five percent (5%) interest in any business." ACA § 19-11-705. **Employee conflict of interest** (a) (1) makes it a "breach of ethical standards for any employee to participate directly or indirectly in any ... application ... or in any other particular matter pertaining to any contract ... in which to the employee's knowledge (B) A business or organization has a financial interest, in which business or organization the employee, ... has a financial interest."

Accordingly, the employees are prohibited from selling advertising in their periodical to the agency for which they work, i.e. Arkansas State University. However, they are not prohibited from seeking advertising contracts with other state agencies, but must report any proceeds under ACA § 19-11-706 **Employee disclosure requirements**.

The report required by Ark. Code Ann. § 19-11-706 of benefits received shall be made by the state employees within 30 days after they have actual or constructive notice that a benefit has been or will be received. Such disclosure shall be made to the Director of Finance and Administration. Such disclosure shall be made in a written report, which sets forth:

- A. The name of the individual involved;
- B. The name of the governmental body with which the company has a contract;
- C. The dollar amount and nature of the contract; and
- D. The nature and extent of the benefit received or to be received.

This advisory opinion is issued in accordance with Arkansas Code Annotated § 19-11-715 (b) and compliance with the above course of conduct is deemed to constitute compliance with the ethical standards of the Act and Governor's Executive Order #98-04

Sincerely,

Richard A. Weiss
Director

cc: Joe Giddis, Office of State Procurement